

## Old Age, Disability, Death

First laws: 1908 (old-age and disability pensions) and 1942 (widow's pension).

Current laws: 1991 (social security) and 1992 (superannuation guarantee).

Type of program: Dual social security (means-tested) and mandatory occupational pension (earnings-based) system.

**Exchange rate:** U.S.\$1.00 equals 1.57 Australian dollars (A\$).

### Coverage

**Social security:** Residents.

**Mandatory occupational pension:** Employed persons earning more than A\$450 a month, excluding self-employed.

### Source of Funds

**Insured person social security:** None.

**Mandatory occupational pension:** None required, voluntary contributions encouraged.

**Employer social security:** None.

**Mandatory occupational pension:** 7% (9% by 2002) of basic wages.

**Government social security:** Entire cost from general revenues.

**Mandatory occupational pension:** None.

### Qualifying Conditions

**Old-age pension social security** (means-tested unless blind): Age 65 (men) or 61.5 (women as of July 1, 1999-raising gradually to 65 by July 1, 2013); resident and physically present in country; 10 years continuous residence (5 continuous years if total residence exceeds 10 years). Paid abroad if payable before leaving the country (may be reduced).

**Mandatory occupational pension:** Age 55 if permanently retired.

**Disability pension social security** (means-tested unless blind): Age 16 to 65 (men), 16 to 61 (women). Minimum 20% impairment level and an inability to work 30 hours a week at full wages, or be retrained for such work for at least the next 2 years, due to a physical, intellectual or psychiatric impairment or permanent blindness. Resident and physically present in country.

If incapacity occurs prior to arrival in Australia, same minimum residence requirements as for old-age pension. If incapacity occurs in Australia, no minimum residence requirement. Paid abroad under specific circumstances (may be reduced).

Wife pension (means-tested): (Since July 1, 1995 there have been no new wife pension grants except for certain partners of mature age allowance) paid when both disability pensioner and wife are over 21 (unless there are children).

Carer payment (means-tested): Paid to provider of constant care at home for a social security or veteran's income support recipient who has a physical, intellectual or psychiatric disability (including a profoundly disabled child); or for 2 or more disabled children.

Mobility allowance (not means-tested): Paid to disabled person age 16 or more who cannot use public transportation without substantial assistance.

**Mandatory occupational pension:** No mandated provision for disability.

**Survivor pension: Social security** (means-tested): Widows and widowers with dependent children are entitled to parenting payment under family allowances program.

Widow allowance: Single women age 50 without children if widowed, separated or divorced after age 40; must be resident and physically present in the country, without recent workforce experience. If widow resides in Australia when death occurs, no minimum residence requirement, otherwise same minimum residence requirement as for old-age pension. Paid abroad if payable before person leaves country (may be reduced).

**Mandatory occupational pension:** No mandated provision for survivors.

### Old-Age Benefits

**Old age pension social security** (means-tested unless blind): Up to A\$178.65 a week for singles and A\$149.05 for each member of a couple.

Wife pension (means-tested): Up to A\$149.05 a week. Benefits for dependent children paid through family allowances scheme. (No new grants of wife pension since July 1, 1995.)

Carer payment (means-tested): Up to A\$178.65 a week (A\$149.05 if caring for a spouse).

Rental assistance (means-tested): Up to A\$49.70 per week, according to marital status and level of rent. Special rules apply to people living in retirement villages.

Pharmaceutical allowance: A\$2.70 a week per family. Telephone allowance: A\$63.20 a year for telephone subscribers.

Remote area supplement: A\$8.75 a week (single) or A\$15 a week (couple), plus A\$3.50 per child.

Concession card: Social security recipients are entitled to the Pensioner Concession Card which makes available a range of reduced costs on certain federal, state and local government services. Adjustment: Benefits adjusted in March and September according to price index (single rate of pension maintained as percentage of average weekly earnings).

**Mandatory occupational pension:** Usually a lump sum of total contributions plus interest less administrative fees and taxes.

### Permanent Disability Benefits

**Disability pension: Social security** (means-tested unless blind): Same as old-age pension for all married pensioners and pensioners 21 years and over.

Single people aged 18-20 years: Up to A\$132.35 a week (living away from home; A\$87.15 a week (living at home). Single disability pensioners under age 21 may also be eligible for Youth Disability Supplement of A\$37.45 a week.

Mobility allowance (not means-tested): A\$28.55 a week.

Wife's pension, carer's pension, rental assistance: Same as under old-age pension (all means-tested).

Telephone allowance, remote area supplement, concession card: Same as under old-age pension.

Adjustment: Disability pension, carer's pension, and wife's pension adjusted in March and September according to price index.

### Survivor Benefits

**Survivor pension: Social security** (means-tested): Same as single old-age pension. (No new grants of widow's pension as of

March 20, 1997.)

Rental assistance, concession card: Same as under old-age pension. Orphan's payment through family allowances schemes.

Bereavement payment: The difference between a single and married pensioner is paid to the surviving partner for 14 weeks after a pensioner's death; 1 pension payment is credited to the estate of a single pensioner.

Adjustment: Survivor pension adjusted in March and September according to price index.

### Administrative Organization

Department of Family and Community Services, general supervision. Centrelink, administration of programs through 401 customer service centers and 16 area support offices.

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### Sickness and Maternity

First laws: 1944 (cash sickness benefits); 1947 (pharmaceutical benefits); and 1948 (national health program).

Current laws: 1991 (cash benefits); 1953 (medical and hospital benefits); 1973 and 1983 (universal medical and hospital insurance Medicare).

Type of program: Dual social assistance (cash benefits) and universal (medical care) systems.

### Coverage

**Cash benefits:** Gainfully employed persons with limited income, and others meeting qualifying conditions.

**Medical benefits:** Residents.

### Source of Funds

**Insured person medical benefits:** 1.5% levy on income above A\$22,594 for couples and single parents (increased by A\$2,100 per child), or A\$13,389 for single persons without dependents. Exemption from levy for veterans, war widows, and Armed Forces personnel with dependents (half levy if without dependents).

**Employer:** None

**Government:** Whole cost of cash benefits and assistance towards a wide-range of drugs under Pharmaceutical Benefits Scheme; rebates for medical, and hospital benefits. Funding is provided for residential and community aged care.

Federal government general revenue grants and medicare grants to states and territories for public hospital operating costs meets approximately 40% to 50% of funding of medical insurance scheme.

### Qualifying Conditions

**Sickness allowance (SA)** (means-tested): Age 21 (25 if full-time student) to pension age. Resident in country. Sickness or injury prevents work, must have a job to return to or intend resuming full-time studies.

**Medical benefits:** Residents.

Pharmaceutical benefit: Residents.

### Sickness and Maternity Benefits

**Sickness allowance** (means-tested): Up to A\$145.90 a week if partnered with dependent children. A\$161.70 if single, aged 21 or over and no dependents, or up to A\$174.95 if single with dependents or over age 60.

Benefits for children paid under family allowances scheme Payable after 7-day waiting period for as long as qualified.

Rental assistance, pharmaceutical allowance, remote area supplement: Same as under old-age pension.

Concession card: Entitled to health care card which makes available additional health, household and transportation assistance from state and local governments.

Adjustment: Adjusted in March and September according to price index.

### Workers' Medical Benefits

**Medical benefits:** Patient pays 15% of schedule fee for outpatient ambulatory care or A\$50.10 whichever is less (indexed annually for price changes).

Pharmaceutical benefit: Most prescribed medicines, with a fee of up to A\$20.30 per prescription. Pensioners, beneficiaries, and low income persons pay A\$3.20 fee per prescription.

Government pays pharmacists.

Hospital benefits: Free standard ward accommodations and treatment by staff doctors in public hospitals.

Private benefit organizations pay for private hospital stay, or public hospital charge for those who choose treatment by their own physician in public hospitals.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same medical and hospital benefits as head of family. Family membership in private benefit organization also covers dependents.

### Administrative Organization

**Sickness benefits:** Department of Family and Community Services, general supervision. Centrelink, administration of programs through 401 customer service centers and 16 area support offices.

**Medical and health benefits:** Administered by the Health Insurance Commission, with the federal Department of Health and Aged Care setting policy.

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### Work Injury

First laws: 6 States, from 1902 (Western Australia) to 1918 (Tasmania); Seamen's Compensation 1911; Commonwealth Government employees, 1912; Northern Territory, 1931; Australian Capital Territory, 1946.

Current laws: Queensland, 1996; New South Wales, 1942, 1987 and 1998; Tasmania, 1988; Australian Capital Territory, 1951; South Australia 1986; federal government employees, 1988; Western Australia, 1981; Victoria, 1958, 1985 and 1993; and Northern Territory, 1986.

Type of program: Compulsory insurance with public or private carrier.

### Coverage

Employed persons; self-employed usually not covered.

### Source of Funds

**Insured person:** None.

**Employer:** Whole cost, through insurance premiums varying with risk (some employers permitted to act as self-insurers).

**Government:** None, except as a self-insurer for own employees.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit:** Varies according to States/Territories. Generally, at least 95% of earnings for a minimum of 26 weeks. May be payable for extended period at reduced levels. Dependents' supplements: Where flat-rate benefits are paid, A\$69.40-A\$88.75 for spouse (indexed); A\$32.90-A\$74.50 for each child (indexed).

Maximum benefit: A limit generally applies. It can be in the form of a cap on the weekly benefit payment or an over-all lump sum value. In Queensland, A\$115,510 (includes weekly benefits); Tasmania, A\$146,250; Western Australia, A\$106,382.

### Permanent Disability Benefits

**Permanent disability pension:** Total disability, same as temporary disability benefit.

Dependents' supplements: Same as for temporary disability benefit. Partial disability pension: Amount of earnings lost, subject to limit; lump sum payments for specific injuries.

Lump sum payments for specified permanent injuries up to A\$300,000 and for pain and suffering up to A\$69,862.

### Workers' Medical Benefits

**Medical benefits:** Reasonable cost of medical care, hospitalization, transportation, nursing care, rehabilitation, etc. In New South Wales, A\$50,000; further amounts if ordered by the Work Cover Authority or Compensation court. In Western Australia A\$31,914 and additional amounts (up to A\$50,000) at the discretion of the Conciliation and Review Directorate.

### Survivor Benefits

**Survivor benefit:** Lump sum of A\$94,047-A\$237,150 (indexed) plus lump sum for each child and/or weekly payment of A\$30.00-A\$74.50 per child (indexed), or pre-injury earnings-related pension payable to spouse and children (Victoria). Funeral grant: Reasonable cost of funeral.

### Administrative Organization

Worker's Compensation Board or Commission administers claims in most States (except Australian Capital Territory, Northern Territory, Tasmania and Western Australia, which have multi-insurer systems with claims administered by insurers) and for Commonwealth employees. Some States still allow common law actions for negligence against an employer.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Entire cost from general revenue.

### Qualifying Conditions

**Youth allowance (YA):** Unemployed young people age 16 to 20 (age 24 if full time student, 15 and over if school-leaving age) who undertake approved education, training, job search or other employment preparation activity, or are incapacitated for work due to illness or injury. Means-tested in terms of both parental and personal income and assets.

**Newstart allowance** (means-tested): Age 21 to pensionable age 65 (men), 61.5 (women). Permanent resident and present in country during period of payment.

Must be unemployed, capable of undertaking and actively seeking work, or temporarily incapacitated for work because of illness. Unemployment may not be due to voluntary act, labor dispute, or refusal of suitable job offer. If it is, benefit may be paid at reduced rate for up to 26 weeks, or postponed for up to 8 weeks.

Mature Age Allowance (MAA) (means-tested): Older unemployed person at least age 60, but less than pensionable age. Must have received Newstart Allowance for the preceding 9 months, or a non-activity tested payment in the 13 weeks prior to claim, and have no recent workforce experience.

Recipients are not required to look for work.

Partner allowance (PA) (means-tested): Member of a couple (born on or before 1 July 1955) whose partner receives a major social security pension or allowance. Must have no recent workforce experience, no dependent children under the age of 16 years, and must not have received unemployment payments or sickness allowance in the 13 weeks prior to claim.

Recipients are not required to look for work.

### Unemployment Benefits

**Youth Allowance** (means-tested): Between A\$73.20 and A\$175.10 a week depending on age, living arrangements, marital status and whether recipient has dependent children.

**Newstart Allowance** (means-tested): Up to A\$145.90 a week for each member of a couple over age 21; A\$161.70 a week if single, over age 21 and no dependents; A\$174.95 if single with dependents, or single and over age 60, after receiving the allowance for 9 months.

Payable after 7-day waiting period for as long as qualified.

Mature Age Allowance and Partner Allowance: Same benefits as under Newstart Allowance (all means-tested).

Rent assistance (means-tested): Same as for old-age pension. Single recipients under 25 years living with parents are not eligible for rent assistance.

Remote area supplement: Same as under old-age pension.

Concession card: Entitled to health care card, or pensioner concession card if over age 60, after receiving social security benefits for 9 months.

Adjustment: Newstart allowance adjusted in March and September according to Consumer Price Index.

## Unemployment

First law: 1944.

Current law: 1991 (Newstart Allowance), 1998 (Youth Allowance).

Type of program: Unemployment assistance.

### Coverage

Gainfully employed persons (also payable to those not previously gainfully employed who meet qualifying conditions).

### Administrative Organization

Department of Family and Community Services, general supervision. Centrelink, administration of programs through 401 customer service centers and 16 area support offices.

### Family Allowances

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First law: 1941 (family allowances).

Current laws: 1991 (orphan's pension), 1991 (child disability allowance), 1995 (birth grant), 1996 (family tax payment), 1997 (parenting payment), 1997 (maternity immunization allowance), 1998 (family allowance).

Type of program: Dual universal and social assistance system.

### Coverage

Residents with 1 or more children.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Entire cost from general revenue.

### Qualifying Conditions

**Family allowances:** Minimum family allowance: Child must be under age 16 (18 if student and ineligible for federal student assistance). Parent or guardian as well as child (with exceptions) must be residents of Australia.

Higher family allowance: Persons with dependent children who are in receipt of a pension, benefit or allowance or in low to moderately paid work.

Guardian allowance: Single parents who are eligible for the higher family allowance.

Orphan pension: Both parents dead (or one dead, the other in a hospital or institution indefinitely, in prison for at least 10 years, or of unknown whereabouts) or refugee children under certain circumstances.

Parenting Payment: Single or partnered parents who have the care of a dependent child or children under age 16; have been an Australian resident for at least 2 years, a refugee, or have become a single parent while an Australian resident.

Birth grant (maternity allowance): Persons with a newborn child who are eligible for family allowance. Includes adopted babies, stillborn babies and babies who died shortly after birth.

Maternity Immunization Allowance: Persons with children eligible for family allowance born on or after January 1, 1998; payable when child turns 18 months and after receiving age-appropriate immunization or valid exemption from immunization.

Family tax payment: Families with dependent children whose taxable income entitles them to the higher family allowance. Part A to families with children under 16 (18 if full-time student). Part B (an additional payment) for families (including single parents) with a child under age 5 and one partner (or single parent) with income less than the income ceiling for receipt of the basic parenting payment.

### Family Allowance Benefits

**Family allowances:** Minimum family allowance (means-tested at high level): A\$23.70 a fortnight per child; A\$7.80 supplement for 4th and each subsequent child. A\$31.40 a fortnight for children

in institutions.

Higher family allowance (means-tested): Up to A\$99.00 a fortnight per child under age 13; A\$128.80 a fortnight per child, 13-15; A\$23.70 a fortnight per student ages 16-18.

Rental assistance up to A\$99.40 a fortnight depending on number of children and level of rent.

Guardian allowance: A\$37.00 a fortnight (does not vary with number of children).

Orphan pension: A\$37.90 a fortnight.

Child disability allowance (not income-tested): A\$75.60 a fortnight per child.

Parenting payment: Single parents (means-tested): Up to A\$178.65 a week. Potentially eligible for family allowance, family tax payment parts A and B, rent assistance, remote area allowance, telephone allowance and pharmaceutical allowance.

Partnered parents (means-tested): basic rate up to A\$32.75 a week (income tested only); additional rate up to A\$145.90 a week (income and asset tested). Additional rate includes the basic rate. Potentially eligible for family allowance, family tax payment part A, rent assistance, remote area allowance, telephone allowance and pharmaceutical allowance.

Birth grant: One time payment of A\$750.00 paid for each child in multiple birth.

Maternity immunization allowance: One time payment of A\$200.00.

Family tax payment: Part A-A\$7.70 a fortnight per child; Part B-A\$19.24 a fortnight per family.

Concession card: Recipients of the higher family allowance, orphan pension and parenting payment (partnered) are entitled to a health care card. Single parent recipients of parenting payment are entitled to a pensioner concession card.

Adjustment: Parenting payment, birth grant and rental assistance adjusted in March and September according to price index. Family allowance, orphan pension, child disability allowance and guardian's allowance adjusted in January according to price index.

### Administrative Organization

Department of Family and Community Services, general supervision. Centrelink, administration of programs through 401 customer service centers and 16 area support offices.